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21 *Midwest Industrial Supply, Inc.*

22 **UNITED STATES DISTRICT COURT**  
23 **IN AND FOR THE DISTRICT OF ARIZONA**

24 SOILWORKS, LLC, an Arizona  
25 corporation,

26 Plaintiff / Counterdefendant /  
27 Counterclaimant,

28 v.

MIDWEST INDUSTRIAL SUPPLY,  
INC., an Ohio corporation authorized to do  
business in Arizona,

Defendant / Counterclaimant /  
Counterdefendant.

NO.: 2:06-CV-2141-DGC

**MIDWEST INDUSTRIAL SUPPLY,  
INC.'S LOCAL RULE 56.1  
RESPONSE TO SOILWORKS,  
LLC'S STATEMENT OF  
MATERIAL FACTS**

1 Pursuant to Local Rule 56.1 of the United States District Court for the District of  
2 Arizona, Midwest Industrial Supply, Inc. ("Midwest") submits the following responses to  
3 the statement of material facts submitted by Soilworks, LLC ("Soilworks") in support of  
4 its Motion for Partial Summary Judgment.  
5

6 **Responsive Facts to Soilworks' Statement of Facts:**

7 1. Undisputed.  
8 2. Undisputed.  
9 3. Undisputed.  
10 4. Undisputed. This fact is irrelevant for purposes of Soilworks' motion for  
11 summary judgment on Midwest's counterclaims.  
12

13 5. Disputed. Soilworks' Statement of Fact ¶5 misconstrues the cited portion  
14 of Mr. Vitale's deposition testimony. See February 20, 2008 Deposition of Robert Vitale  
15 ("Vitale Dep. II") at 36:5-41:9, attached hereto as **Exhibit A**. At Mr. Vitale's deposition,  
16 Midwest's counsel asserted work product protection and attorney client privilege as to the  
17 issue of whether or not Midwest undertook any testing of Soilworks' Durasoil® product  
18 for infringement purposes. See *id.* This subject matter is protected by, and not subject to  
19 disclosure, pursuant to work product protection and attorney client privilege.  
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21

22 Further, Midwest's preliminary evaluation of Soilworks' Durasoil product is  
23 irrelevant for purposes of Soilworks' motion for summary judgment on Midwest's  
24 counterclaims. Also, as explained in Midwest's counsel's June 8, 2006 and August 8,  
25 2006 letters to Soilworks' counsel, testing could not be performed to determine whether  
26 Soilworks' Durasoil product infringed the claims in Midwest's patents because of  
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1 Soilworks' refusal to Midwest with a list of its Durasoil product's ingredients. *See*  
2 Midwest's Statement of Facts (ECF #80) at ¶¶66-69, which are incorporated herein by  
3 reference.<sup>1</sup> Based on Midwest's evaluation of the publicly available information for  
4 Soilworks' Durasoil product, Midwest felt that the Durasoil product could infringe at  
5 least some of the claims in Midwest's two patent applications and sought more  
6 information from Soilworks, who then filed the instant suit. *See id.*

7  
8 6. Disputed. Soilworks' Statement of Fact ¶6 misconstrues the cited portion  
9 of Mr. Vitale's deposition testimony. *See* Vitale Dep. II at 36:5-41:9 (Ex. A). Mr.  
10 Vitale's deposition, Midwest's counsel asserted work product protection and attorney  
11 client privilege as to the issue of whether or not Midwest undertook any testing of  
12 Soilworks' Durasoil product for infringement purposes. *See id.* This subject matter is  
13 protected by, and not subject to disclosure, pursuant to work product protection and  
14 attorney client privilege.  
15  
16

17 Further, Midwest's preliminary evaluation of Soilworks' Durasoil product is  
18 irrelevant for purposes of Soilworks' motion for summary judgment on Midwest's  
19 counterclaims. Also, as explained in Midwest's counsel's June 8, 2006 and August 8,  
20 2006 letters to Soilworks' counsel, testing could not be performed to determine whether  
21 Soilworks' Durasoil product infringed the claims in Midwest's patents because of  
22 Soilworks' refusal to Midwest with a list of its Durasoil product's ingredients. *See*  
23 Midwest's Statement of Facts (ECF #80) at ¶¶66-69. Based on Midwest's evaluation of  
24 the publicly available information for Soilworks' Durasoil product, Midwest felt that the  
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28 <sup>1</sup> In accordance with Local Rule 7.1(d)(2), Midwest incorporates by reference the portions  
of its Statement of Facts (ECF #80) as cited herein.

1 product infringed at least some of the claims in Midwest's two patent applications. *See*  
2 *id.*

3  
4 7. Undisputed. This fact is irrelevant for purposes of Soilworks' Motion for  
5 Summary Judgment on Midwest's counterclaims. Midwest admits it sent a letter to a  
6 potential infringer of the Midwest Patents, the Polar Supply Company, Inc., pursuant to  
7 its rights under the Patent Laws of the United States, since it was selling the Durasoil  
8 product. *See*, 35 U.S.C. § 271(a).

9  
10 8. Disputed. Soilworks' Statement of Fact ¶8 misconstrues the cited portion  
11 of Mr. Vitale's deposition testimony. *See* Vitale Dep. II at 36:5-41:9 (Ex. A). At Mr.  
12 Vitale's deposition, Midwest's counsel asserted work product protection and attorney  
13 client privilege as to the issue of whether or not Midwest undertook any testing of  
14 Soilworks' Durasoil product for infringement purposes. *See id.* This subject matter is  
15 protected by, and not subject to disclosure, pursuant to work product protection and  
16 attorney client privilege.  
17

18 In fact, Chad Falkenberg, President and creator of Durasoil, admits that Soilworks'  
19 Durasoil product may infringe the Midwest Patents based upon how the claims are  
20 construed. *See* Chad Falkenberg Dep. at (Ex. D) at 174:6-175:19, 175:20-25, 176:1-21,  
21 177:15-179:12, 182:5-19, 255:11-256:3-17; *see also* Midwest's Responsive Statement of  
22 Facts at ¶¶46, 48, 50, 52 below.  
23

24  
25 Further, Midwest's preliminary evaluation of Soilworks' Durasoil product is  
26 irrelevant for purposes of Soilworks' motion for summary judgment on Midwest's  
27 counterclaims. Also, as explained in Midwest's counsel's June 8, 2006 and August 8,  
28

1 2006 letters to Soilworks' counsel, testing could not be performed to determine whether  
2 Soilworks' Durasoil product infringed the claims in Midwest's patents because of  
3 Soilworks' refusal to Midwest with a list of its Durasoil product's ingredients. *See*  
4 Midwest's Statement of Facts (ECF #80) at ¶¶66-69. Based on Midwest's evaluation of  
5 the publicly available information for Soilworks' Durasoil product, Midwest felt that the  
6 product infringed at least some of the claims in Midwest's two patent applications. *See*  
7 *id.*

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10 9. Undisputed. While the Polar Supply Letters are irrelevant for purposes of  
11 Soilworks' motion for summary judgment on Midwest's counterclaims, this is an  
12 accurate statement of U.S. Patent Laws and the rights of a patent holder. *See* 35 U.S.C. §  
13 271(a).

14  
15 10. Disputed. Soilworks' statement that Midwest "specifically referred to  
16 Soilworks' allegedly infringing conduct" reflects a mischaracterization of the Polar  
17 Supply Letters. *See* Midwest's Statement of Facts at ¶71. Also, the Polar Supply Letters  
18 are irrelevant for purposes of Soilworks' motion for summary judgment on Midwest's  
19 counterclaims.

20  
21 11. Disputed. Soilworks' reference to "direct threats" and "general claims to  
22 the trade of Soilworks' infringement" reflects a mischaracterization of the cited  
23 "Marketing Materials" (as labeled by Soilworks). *See* Exhibit 7 to Soilworks' Statement  
24 of Facts. Also, the "Marketing Materials" are irrelevant for purposes of Soilworks'  
25 Motion for Summary Judgment on Midwest's counterclaims.  
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1 Further, Midwest's statement that "others claiming to offer products similar  
2 to EnviroKleen and EK35 are either not supplying Synthetic Organic Dust Control or are  
3 infringing Midwest Industrial Supply's patents" is a correct factual statement. At the  
4 time of the cited promotional materials, one of Soilworks' distributors (Polar Supply  
5 Company) had submitted a bid to supply Soilworks' Durasoil product for a project for  
6 which the express specifications were Midwest's EK35 and had submitted other bids (or  
7 quotes to general contractors be incorporated into bids) for projects for which the express  
8 specifications were for dust palliative products with ingredients covered by Midwest's  
9 Patents (e.g., a binder and a synthetic isoalkane). See May 8, 2008 Declaration of Robert  
10 Vitale, submitted in support of Midwest's Statement of Facts (ECF #80-4) and June 11,  
11 2008 Declaration of Robert Vitale, attached hereto as **Exhibit F**; Deposition Testimony  
12 of Steve Hickman at 87:15-90:14, 100:5-101:6, 149:8-18, 153:9-154:9, 154:23-156:3,  
13 attached hereto as **Exhibit G**. Thus, in doing so, Polar Supply Company was either not  
14 supplying a Synthetic Organic Dust Control (which is covered by Midwest's patents) or it  
15 was infringing Midwest's patents.  
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20 12. Undisputed. The cited "Marketing Materials" are irrelevant for purposes of  
21 Soilworks' motion for summary judgment on Midwest's counterclaims.

22 13. Undisputed. The cited "Marketing Materials" are irrelevant for purposes of  
23 Soilworks' motion for summary judgment on Midwest's counterclaims.  
24

25 14. Undisputed. The cited "Marketing Materials" are irrelevant for purposes of  
26 Soilworks' motion for summary judgment on Midwest's counterclaims. Further,  
27 Midwest's statement that "others claiming to offer products similar to EnviroKleen and  
28

1 EK35 are either not supplying Synthetic Organic Dust Control or are infringing Midwest  
2 Industrial Supply's patents" is a correct factual statement. At the time of the cited  
3 promotional materials, one of Soilworks' distributors (Polar Supply Company) had  
4 submitted a bid to supply Soilworks' Durasoil product for a project for which the express  
5 specifications were Midwest's EK35 and had submitted other bids (or quotes to general  
6 contractors be incorporated into bids) for projects for which the express specifications  
7 were for dust palliative products with ingredients covered by Midwest's Patents (e.g., a  
8 binder and a synthetic isoalkane). See May 8, 2008 Declaration of Robert Vitale,  
9 submitted in support of Midwest's Statement of Facts (ECF #80-4) and June 11, 2008  
10 Declaration of Robert Vitale, attached hereto as **Exhibit F**; Deposition Testimony of  
11 Steve Hickman at 87:15-90:14, 100:5-101:6, 149:8-18, 153:9-154:9, 154:23-156:3,  
12 attached hereto as **Exhibit G**. Thus, in doing so, Polar Supply Company was either not  
13 supplying a Synthetic Organic Dust Control (which is covered by Midwest's patents) or it  
14 was infringing Midwest's patents.

15  
16 15. Disputed. Soilworks does not manufacture or blend Durasoil. See  
17 Deposition Testimony of Keven Hurst at 11:13-14:11, 20:5-7, attached hereto as **Exhibit**  
18 **C**; Deposition Testimony of Chad Falkenberg at 235:2-4, 238:9-23 and Exhibit 8 thereto,  
19 attached hereto as **Exhibit D**. In Soilworks' patent claim construction charts, which were  
20 prepared by Chad Falkenberg (President and creator of Durasoil), Soilworks states that  
21 "Durasoil is not a blend." See Exhibit 8 of Chad Falkenberg Depo. (Ex. D). Keven  
22 Hurst, Soilworks' general foreman and field technician testified during his deposition that  
23 he would be the person in charge of blending if it were conducted at Soilworks' Gilbert,  
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1 Arizona facility, and that no blending has taken place in the two years since he has been  
2 employed at Soilworks. *See* Keven Hurst Depo. at 11:13-14:11, 20:5-7 (Ex. C). Then in  
3 Soilworks' 30(b)(6) deposition, Chad Falkenberg stated that Durasoil "can be a blend;"  
4 however, he could provide no information as to when or how often blending by  
5 Soilworks supposedly occurs. *See* Chad Falkenberg Depo. at 235:2-4, 238:9-23 (Ex. D).  
6 He also confirmed that Soilworks' suppliers do not blend products for Soilworks. Chad  
7 Falkenberg Depo. at 234:16-23, 237:25-238:8 (Ex. D). Soilworks has produced no  
8 documents during discovery supporting the claim that Soilworks blends or mixes  
9 ingredients together to make Durasoil at its Gilbert, Arizona facility. Soilworks altered its  
10 position as to blending of Durasoil only after the Midwest depositions regarding  
11 Midwest's testimony as to what is a "manufacturer."

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15 16. Disputed. Soilworks has no evidence whatsoever that Durasoil has ever  
16 been blended to mix ingredients to create varying levels of viscosities and mixture ratios.  
17 Soilworks does not manufacture or blend Durasoil. *See* Deposition Testimony of Kevin  
18 Hurst at 11:13-14:11, 20:5-7, attached hereto as **Exhibit C**; Deposition Testimony of  
19 Chad Falkenberg at 235:2-4, 238:9-23 and Exhibit 8 thereto, attached hereto as **Exhibit**  
20 **D**. In Soilworks' patent claim construction charts, which were prepared by Chad  
21 Falkenberg (President and creator of Durasoil), Soilworks states that "Durasoil is not a  
22 blend." *See* Exhibit 8 of Chad Falkenberg Depo. (Ex. D). Kevin Hurst, Soilworks'  
23 general foreman and field technician testified during his deposition that he would be the  
24 person in charge of blending if it were conducted at Soilworks' Gilbert, Arizona facility,  
25 and that no blending has taken place in the two years since he has been employed at  
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1 Soilworks. *See* Kevin Hurst Depo. at 11:13-14:11, 20:5-7 (Ex. C). Then in Soilworks’  
2 30(b)(6) deposition, Chad Falkenberg stated that Durasoil “can be a blend;” however, he  
3 could provide no information as to when or how often blending by Soilworks supposedly  
4 occurs. *See* Chad Falkenberg Depo. at 235:2-4, 238:9-23 (Ex. D). He also confirmed  
5 that Soilworks’ suppliers do not blend products for Soilworks. Chad Falkenberg Depo. at  
6 237:25-238:8 (Ex. D). Soilworks has produced no documents during discovery  
7 supporting the claim that Soilworks blends or mixes ingredients together to make  
8 Durasoil at its Gilbert, Arizona facility. Soilworks altered its position as to blending of  
9 Durasoil only after the Midwest depositions regarding Midwest’s testimony as to what is  
10 a “manufacturer.”

13 17. Undisputed.

15 18. Undisputed.

16 19. Undisputed.

17 20. Undisputed.

18 21. Undisputed.

19 22. Undisputed.

21 23. Disputed by Midwest. *See* Midwest’s Motion for Order, ECF Docket No.  
22 67 and the Court’s Order, ECF Docket No. 86.

23 24. Undisputed.

24 25. Disputed. For purposes of its Lanham Act claim for false advertising by  
25 Soilworks, Midwest also states that Soilworks falsely asserts that its Durasoil product  
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1 consists of “proprietary ingredients” and is a “revolutionary state-of-the-art innovation.”  
2 See Midwest’s Statement of Facts at ¶¶44-61.

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4 26. Disputed. The record evidence establishes that Soilworks has used  
5 Midwest’s Soil-Sement® mark in commerce. See Midwest’s Statement of Facts at ¶¶6-9,  
6 30, 38-43.

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8 27. Disputed. Soilworks mischaracterizes the cited portion of the record. See  
9 February 19, 2008 Deposition Testimony of Robert Vitale (“Vitale Dep. I”) at 79:11-24,  
10 attached hereto as **Exhibit B**; Vitale Dep. II at 64:7-67:8, 86:1-87:18, 120:1-12 (Ex. A).  
11 In his deposition, Mr. Vitale expressly confirmed that Midwest maintains that Soilworks’  
12 use of Midwest’s Soil-Sement® mark for purposes of Soilworks’ internet advertising  
13 practices, including its websites’ metatags, constitutes trademark infringement. See *id.*

14  
15 28. Disputed. Soilworks’ Statement of Fact ¶28 that “[i]ndeed, it admits no  
16 confusion exists” is entirely ambiguous and argumentative, rather than factual. Also,  
17 Soilworks mischaracterizes the cited portion of the record, which does not constitute an  
18 admission by Midwest that no confusion exists within the meaning of Midwest’s Lanham  
19 Act claims for trademark infringement, false designation of origin, and unfair  
20 competition. See Vitale Dep. II at 66:10-23 (Ex. A). In this passage of his deposition,  
21 Mr. Vitale only stated that consumers do not buy a product from Soilworks thinking that  
22 they are buying it from Midwest. See *id.*

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25 29. Disputed. One of Midwest’s many false advertising claims is based on  
26 Soilworks’ statement that it is a manufacturer, but Midwest’s Lanham Act claim for false  
27 advertising encompasses other false advertisements by Soilworks, including Soilworks’  
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1 statements that its Durasoil product is “synthetic,” “oil-sheen free,” made of “proprietary  
2 ingredients,” and a “revolutionary state-of-the-art innovation” and that Soilworks is an  
3 “innovator.” *See* Midwest’s Responsive Statement of Facts at ¶25 above and Statement  
4 of Facts at ¶¶44-61.  
5

6         30. Disputed. Midwest’s claim that Soilworks is not a manufacturer is based  
7 on Soilworks’ failure to put forth any evidence that it manufactures its Durasoil product.  
8 Soilworks does not manufacture or blend Durasoil. *See* Deposition Testimony of Kevin  
9 Hurst at 11:13-14:11, 20:5-7, attached hereto as **Exhibit C**; Deposition Testimony of  
10 Chad Falkenberg at 235:2-4, 238:9-23 and Exhibit 8 thereto, attached hereto as **Exhibit**  
11 **D**. In Soilworks’ patent claim construction charts, which were prepared by Chad  
12 Falkenberg (President and creator of Durasoil), Soilworks states that “Durasoil is not a  
13 blend.” *See* Exhibit 8 of Chad Falkenberg Depo. (Ex. D). Kevin Hurst, Soilworks’  
14 general foreman and field technician testified during his deposition that he would be the  
15 person in charge of blending if it were conducted at Soilworks’ Gilbert, Arizona facility,  
16 and that no blending has taken place in the two years since he has been employed at  
17 Soilworks. *See* Kevin Hurst Depo. at 11:13-14:11, 20:5-7 (Ex. C). Then in Soilworks’  
18 30(b)(6) deposition, Chad Falkenberg stated that Durasoil “can be a blend;” however, he  
19 could provide no information as to when or how often blending by Soilworks supposedly  
20 occurs. *See* Chad Falkenberg Depo. at 235:2-4, 238:9-23 (Ex. D). He also confirmed  
21 that Soilworks’ suppliers do not blend products for Soilworks. Chad Falkenberg Depo. at  
22 234:16-23, 237:25-238:8 (Ex. D). Soilworks altered its position as to blending of  
23 Durasoil only after the Midwest depositions regarding Midwest’s testimony as to what is  
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1 a “manufacturer.” Soilworks has produced no documents during discovery that indicate  
2 that Soilworks blends or mixes ingredients together to make Durasoil at its Gilbert,  
3 Arizona facility, or that its suppliers blend or mix ingredients together to make Durasoil  
4 for Soilworks pursuant to the formula or specifications provided to the supplier by  
5 Soilworks.  
6

7 31. Disputed. The self-serving statement by Mr. Falkenberg that he “believes”  
8 Soilworks to be a manufacturer does not establish that Soilworks is, in fact a  
9 manufacturer. *See* Soilworks’ Statement of Facts at ¶31. Further, to the extent that  
10 Soilworks claims to be a manufacturer because it allegedly “blends” its Durasoil product,  
11 the record evidence does not demonstrate that Soilworks is a manufacturer based on its  
12 assertion that it “blends” its Durasoil product. *See* Keven Hurst Depo. at 11:13-14:11,  
13 20:5-7 (Ex. C); Chad Falkenberg Testimony at 235:2-4, 238:9-23 and Ex. 8 thereto (Ex.  
14 D). In its patent claims chart, Soilworks states that “Durasoil is not a blend.” *See* Exhibit  
15 8 of Chad Falkenberg Depo. (Ex. D). Keven Hurst, Soilworks’ general foreman and field  
16 technician testified during his deposition that he would be the person in charge of  
17 blending if it were conducted at Soilworks’ Gilbert, Arizona facility, and that no blending  
18 has taken place in the two years since he has been employed at Soilworks. *See* Keven  
19 Hurst Depo. at 11:13-14:11, 20:5-7 (Ex. C). While Chad Falkenberg stated in his  
20 deposition that Durasoil “can be a blend,” he could provide no information during his  
21 deposition as to when or how often blending by Soilworks supposedly occurs. *See* Chad  
22 Falkenberg Depo. at 235:2-4, 238:9-23 (Ex. D). He also confirmed that Soilworks’  
23 suppliers do not blend products for Soilworks. Chad Falkenberg Depo. at 234:16-23,  
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1 237:25-238:8 (Ex. D). Soilworks has produced no documents during discovery that  
2 indicate that Soilworks blends or mixes ingredients together to make Durasoil at its  
3 Gilbert, Arizona facility, or that its suppliers blend or mix ingredients together to make  
4 Durasoil for Soilworks pursuant to the formula or specifications provided to the supplier  
5 by Soilworks.  
6

7 32. Disputed. First, Soilworks cites no portion of the record to support its  
8 assertion in ¶32 of its Statement of Facts that “by Midwest’s own definition of  
9 ‘manufacture,’ Soilworks manufacturers the Durasoil, Surtac, Soiltac and Gorilla-Snot  
10 products. Second, the record evidence does not demonstrate that Soilworks blends or  
11 mixes ingredients together pursuant to a formula to make its Durasoil, Surtac, Soiltac, or  
12 Gorilla-Snot product. *See* Keven Hurst Depo. at 11:13-14:11, 20:5-7 (Ex. C); Chad  
13 Falkenberg Testimony at 235:2-4, 238:9-23 and Ex. 8 thereto (Ex. D). In its patent  
14 claims chart, Soilworks states that “Durasoil is not a blend.” *See* Exhibit 8 of Chad  
15 Falkenberg Depo. (Ex. D). Keven Hurst, Soilworks’ general foreman and field  
16 technician testified during his deposition that he would be the person in charge of  
17 blending if it were conducted at Soilworks’ Gilbert, Arizona facility, and that no blending  
18 has taken place in the two years since he has been employed at Soilworks. *See* Keven  
19 Hurst Depo. at 11:13-14:11, 20:5-7 (Ex. C). While Chad Falkenberg stated in his  
20 deposition that Durasoil “can be a blend,” he could provide no information during his  
21 deposition as to when or how often blending by Soilworks supposedly occurs. *See* Chad  
22 Falkenberg Depo. at 235:2-4, 238:9-23 (Ex. D). He also confirmed that Soilworks’  
23 suppliers do not blend products for Soilworks. Chad Falkenberg Depo. at 234:16-23,  
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1 237:25-238:8 (Ex. D). Soilworks has produced no documents during discovery that  
2 indicate that Soilworks blends or mixes ingredients together to make Durasoil at its  
3 Gilbert, Arizona facility, or that its suppliers blend or mix ingredients together to make  
4 Durasoil for Soilworks pursuant to the formula or specifications provided to the supplier  
5 by Soilworks.  
6

7 33. Undisputed.

8 34. Disputed. Soilworks mischaracterizes the cited portion of the record. *See*  
9 Vitale Depo. II at 69:20-70:5 (Ex. A). In his deposition, Mr. Vitale stated that if a  
10 company provides a supplier with a product specification and the supplier toll blends  
11 ingredients to together to a specific formula in order to meet the product specification, the  
12 company providing the specifications could be considered a manufacturer. *See id.* He  
13 also said that, if the product provided by the supplier is a product that the supplier has  
14 off-the-shelf or sells for other purposes and product is just being relabeled and shipped to  
15 the company, the company providing the specifications could not be considered a  
16 manufacturer. *See id.*  
17  
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19 35. Disputed. Soilworks mischaracterizes the cited portion of the record. *See*  
20 Midwest's Responsive Statement of Fact at ¶35 above and Vitale Depo. II at 69:4-70:5  
21 (Ex. A).  
22

23 36. Disputed. Soilworks does not mix and blend its Durasoil, Surtac, Soiltac  
24 and Gorilla-Snot products. *See* Keven Hurst Depo. at 11:13-14:11, 20:5-7 (Ex. C); Chad  
25 Falkenberg Depo. at 235:2-4, 238:9-23 and Ex. 8 thereto (Ex. D). In its patent claim  
26 construction charts, Soilworks states that "Durasoil is not a blend." *See* Exhibit 8 of  
27  
28

1 Chad Falkenberg Depo. (Ex. D). Keven Hurst, Soilworks' general foreman and field  
2 technician testified during his deposition that he would be the person in charge of  
3 blending if it were conducted at Soilworks' Gilbert, Arizona facility, and that no blending  
4 has taken place in the two years since he has been employed at Soilworks. *See* Keven  
5 Hurst Depo. at 11:13-14:11, 20:5-7 (Ex. C). Chad Falkenberg stated in his deposition  
6 that Durasoil "can be a blend," he could provide no information during his deposition as  
7 to when or how often blending by Soilworks supposedly occurs. *See* Chad Falkenberg  
8 Depo. at 235:2-4, 238:9-23 (Ex. D). Soilworks has produced no documents during  
9 discovery supporting the claim that Soilworks blends or mixes ingredients together to  
10 make the cited products at its Gilbert, Arizona facility.

13 37. Disputed. Soilworks has produced no evidence of any product  
14 specifications that it provides to its suppliers. *See* Deposition Testimony of Dorian  
15 Falkenberg at 31:12-32:24, attached as Ex. 13 to Soilworks' Statement of Facts. Also,  
16 Chad Falkenberg confirmed during his deposition that Soilworks' suppliers do not blend  
17 products for Soilworks. Chad Falkenberg Depo. at 234:16-23, 237:25-238:8 (Ex. D)

20 38. Disputed. Soilworks' Statement of Fact ¶38 that "Midwest admits no  
21 deception has occurred" is entirely ambiguous and argumentative, rather than factual.  
22 Also, Soilworks mischaracterizes the cited portion of the record, which does not  
23 constitute an admission by Midwest that no deception exists within the meaning of  
24 Midwest's Lanham Act claims for false advertising. *See* Vitale Dep. II at 66:10-23 (Ex.  
25 A). In this passage of his deposition, Mr. Vitale only stated that consumers do not buy a  
26 product from Soilworks thinking that they are buying it from Midwest. *See id.*

1           39.     Disputed.   Soilworks’ Statement of Fact ¶29 that “Midwest makes only  
2     conclusory and unsupported allegations . . .” is entirely ambiguous and argumentative,  
3     rather than factual.   Also, Soilworks mischaracterizes the cited portion of the record, in  
4     which Mr. Vitale stated that Soilworks’ conduct has, among other injuries, caused  
5     Midwest to lose customers and potential sales, including projects for the Alaskan  
6     Department of Transportation and purchase orders for the U.S. military.   *See Vitale*  
7     *Depo. II at 60:21-61:18 (Ex. A); see also Midwest’s Statement of Additional Responsive*  
8     *Facts at ¶¶54-67 below.*

11           40.     Undisputed.

12           41.     Undisputed.

13           42.     Undisputed.

14           43.     Undisputed.   *See also Midwest’s Statement of Additional Responsive Facts*  
15     *at ¶¶54-67 below.*

16           44.     Disputed, with respect to the statement that “Midwest has not presented any  
17     evidence of a likelihood of confusion” and undisputed with respect to the statement that  
18     “Midwest makes no claims of ownership to the terms “oil-sheen free.” With respect to  
19     Soilworks’ statement regarding likelihood of confusion, this statement is a legal  
20     conclusion, not a factual statement, and Soilworks cites to no portion of the record that  
21     supports this assertion.   A likelihood of confusion is created as a result of Soilworks’  
22     infringement of Midwest’s Soil-Sement<sup>®</sup> mark.   *See Midwest’s Statement of Facts at ¶¶6-*  
23     *9, 30, 38-43. Likelihood of confusion is not an element of Midwest’s Lanham Act claim*  
24     *for false advertising. See 15 U.S.C. 1125(a)(1)(B). With respect to Soilworks’ statement*  
25  
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1 regarding the term “oil-sheen free,” ownership of the term “oil-sheen free” is also  
2 irrelevant to Midwest’s Lanham Act claim for false advertising. *See id.*

3  
4 45. Disputed. Midwest’s Patents require a compound with a composition  
5 consisting of: (a) a binder consisting of a carboxylic acid, an ester, **or** a thermoplastic  
6 polyolefin and (b) a synthetic isoalkane. *See* Midwest’s ‘266 and ‘270 Patents, which  
7 were submitted to the Court as Attachments 1 and 2 to Robert Vitale’s May 8, 2008  
8 Declaration (ECF #80-4); Ex. 8 of Chad Falkenberg Depo. (Ex. D).

9  
10 **Midwest’s Motion to Strike Funk Report:**<sup>2</sup> The sole evidentiary support  
11 offered by Soilworks in support of Statement of Facts ¶¶42-53 is a two-page letter report  
12 prepared by Soilworks’ expert, Edward Funk, *dated May 7, 2008*. This report is entirely  
13 untimely, and it was filed by Soilworks in violation of Federal Rule of Civil Procedure  
14 26(A)(2)(B) and this Court’s May 7, 2007 Case Management Order (ECF #28). Mr.  
15 Funk’s report should be stricken from the record and disregarded by the Court.

16  
17 Pursuant to the Case Management Ordered, both parties were required to provide  
18 full and complete expert disclosures with respect to any issue on which the party bears  
19 the burden of proof at trial no later than ***December 14, 2007***. *See* CMO at ¶5(a). The  
20 CMO further provided that rebuttal expert disclosures were required to be made no later  
21 than February 29, 2008 and all expert depositions were to commence no later than April  
22 28, 2008. *See* CMO at ¶5(b-c).

23  
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26  
27 <sup>2</sup> In accordance with Local Rule 7.2(m), Midwest has explained herein the multiple  
28 reasons why the cited report of Soilworks’ expert, Mr. Edward Funk, must be stricken  
and disregarded by the Court, as opposed to filing a separate motion to strike.

1 On March 7, 2008, Soilworks identified Edward Funk as its expert witness in this  
2 case. See Soilworks' Rule 26 Expert Disclosures, attached hereto as **Exhibit E**.  
3 Soilworks stated in its "disclosure" that that Mr. Funk was expected to testify that  
4 Midwest's '266 and '270 Patents were not validly issued based on prior art in the filed  
5 and in the industry. Soilworks ***did not*** provide any indication that Mr. Funk was  
6 expected to opine that Soilworks' Durasoil product did not infringe Midwest's patents.  
7 Further, Soilworks' "disclosure" of Mr. Funk was not accompanied by an expert report  
8 prepared and signed by Mr. Funk, as required by Rule 26(A)(2)(B).  
9

10  
11 Mr. Funk's 2-page letter report of May 7, 2008 opines Durasoil product lacks  
12 essential elements covered by Midwest's Patents. Soilworks did not obtain the leave of  
13 the Court to either amend the scope of Mr. Funk's opinions in this case or to disclose Mr.  
14 Funk's expert report beyond the expert disclosure deadlines in this case. Soilworks never  
15 delivered a copy of Mr. Funk's letter to Midwest in advance of Soilworks' filing of the  
16 letter in support of its summary judgment motion. Soilworks never amended its March 7,  
17 2008 disclosure of Mr. Funk's opinions, nor did it otherwise inform Midwest that Mr.  
18 Funk would offer an opinion as to whether Durasoil infringed the claims in Midwest's  
19 Patents.  
20

21  
22 Because Mr. Funk's current opinions of non-infringement and his expert report  
23 were never timely disclosed to Midwest, Midwest had no opportunity within the  
24 discovery period to depose Mr. Funk and obtain an expert to provide a rebuttal report and  
25 testimony on the issue of non-infringement. Soilworks' act of filing the Funk report in  
26 support of its summary judgment motion amounts to improper and unfair tactics of  
27  
28

1 surprise and ambush. Permitting Soilworks to utilize Mr. Funk's non-compliant expert  
2 report in these summary judgment proceedings would permit Soilworks to violate Rule  
3 26(A)(2)(B) and the Court's CMO.  
4

5 For all of these reasons, the Court must strike Mr. Funk's expert report and  
6 exclude Mr. Funk from testifying on behalf of Soilworks at trial. If the Court does not  
7 strike this improper report and preclude Mr. Funk from testifying at trial, Court should  
8 expressly authorize Midwest to depose Mr. Funk and retain an expert to provide rebuttal  
9 testimony on the issue of patent infringement before resolving the parties' claims related  
10 to patent infringement.  
11

12 46. Disputed. The sole evidentiary support offered by Soilworks in support of  
13 this allegation is Mr. Funk's May 7, 2008 letter report, which must be stricken and  
14 disregarded by the Court. *See* Midwest's Responsive Statement of Facts at ¶45 above,  
15 which is incorporated herein by reference. Further, Soilworks' own testimony confirms  
16 that Soilworks does not know whether or not its Durasoil product contains a carboxylic  
17 acid. *See* Chad Falkenberg Depo. at 174:6-175:19 (Ex. D).  
18

19 47. Disputed. The sole evidentiary support offered by Soilworks in support of  
20 this allegation is Mr. Funk's May 7, 2008 letter report, which must be stricken and  
21 disregarded by the Court. *See* Midwest's Responsive Statement of Facts at ¶45 above,  
22 which is incorporated herein by reference. Furthermore, claims 1-8 and 10-16 of the '270  
23 Patent do not include an "emulsifier." ('270 Patent, col. 9, ll. 33 – col. 10, ll. 51, which  
24 was submitted to the Court as Attachment 2 to Robert Vitale's May 8, 2008 Declaration  
25 (ECF #80-4).) Only claim 9 requires an "emulsifier." (*Id.*, at col. 10, l. 11.) Claims 1-5,  
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1 7-13 and 15 do not include an “emulsifier.” (‘266 Patent, col. 9, ll. 32 – col. 10, ll. 34,  
2 which was submitted to the Court as Attachment 1 to Robert Vitale’s May 8, 2008  
3 Declaration (ECF #80-4).) Only claims 6 and 14 require an “emulsifier.” (*Id.*, at col. 10,  
4 ll. 9-10; col. 10, ll. 31-32.)

5  
6 48. Disputed. The sole evidentiary support offered by Soilworks in support of  
7 this allegation is Mr. Funk’s May 7, 2008 letter report, which must be stricken and  
8 disregarded by the Court. *See* Midwest’s Responsive Statement of Facts at ¶45 above,  
9 which is incorporated herein by reference. Further, nothing in the record establishes  
10 Soilworks’ claim that its Durasoil product does not contain an emulsifier.

11  
12 49. Undisputed.

13  
14 50. Disputed. The sole evidentiary support offered by Soilworks in support of  
15 this allegation is Mr. Funk’s May 7, 2008 letter report, which must be stricken and  
16 disregarded by the Court. *See* Responsive Statement of Facts at ¶45 above, which is  
17 incorporated herein by reference. Further, Soilworks’ own testimony confirms that  
18 Soilworks does not know whether or not its Durasoil product contains a synthetic  
19 isoalkane. *See* Chad Falkenberg Depo. at 176:11-21, 177:15-179:12, and 255:11-256:3  
20 (Ex. D).

21  
22 Also, at least one of Soilworks’ distributors (Polar Supply Company) has  
23 submitted several bids (or portions thereof) to supply Soilworks’ Durasoil product for  
24 public projects for which the project specifications expressly required a dust control  
25 product that had a “synthetic isoalkane.” *See* May 8, 2008 Declaration of Robert Vitale,  
26 submitted in support of Midwest’s Statement of Facts (ECF #80-4) and June 11, 2008  
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1 Declaration of Robert Vitale (Ex. F). Representatives of Polar Supply Company  
2 confirmed that Polar Supply Company submitted bids in response to these specifications.  
3 *See* Steve Hickman Deposition Testimony at 87:15-25, 100:5-101:6, 149:8-18, 153:9-  
4 154:9, 154:23-156:3 (Ex. G). They also confirmed that, if Polar Supply Company had  
5 any questions as to whether Durasoil could meet the specifications for the project, Polar  
6 Supply Company's practice would have been to confirm with Chad Falkenberg of  
7 Soilworks that Durasoil could meet the specification before submitting the bid. *See*  
8 Hickman Dep. at 39:10-16, 154:23-155:12 (Ex. G); Deposition Testimony of Steve  
9 Gordner at 49:5-50:5, 54:14-55:6, 55:23-25, attached hereto as **Exhibit H**.

12 51. Disputed. The sole evidentiary support offered by Soilworks in support of  
13 this allegation is Mr. Funk's May 7, 2008 letter report, which must be stricken and  
14 disregarded by the Court. *See* Responsive Statement of Facts at ¶45 above, which is  
15 incorporated herein by reference. Further, Midwest's Patents require a compound with a  
16 composition consisting of: (a) a binder consisting of a carboxylic acid, an ester, **or** a  
17 thermoplastic polyolefin and (b) a synthetic isoalkane. (*See* Ex. 8 of Chad Falkenberg  
18 Depo. (Ex. D). In fact, only claims 10, 11 of the '266 Patent require a "polyolefin."  
19 ('266 Patent, col. 10, ll. 20-24.) Only claims 4 and 5 of the '270 Patent require a  
20 "polyolefin." ('270 Patent, col. 9, ll. 45-49.)

23 52. Disputed. Mr. Funk's May 7, 2008 letter report must be stricken and  
24 disregarded by the Court. *See* Responsive Statement of Facts at ¶45 above, which is  
25 incorporated herein by reference. Further, Soilworks' own testimony confirms that  
26 Soilworks does not know whether or not its Durasoil product contains a polyolefin or  
27  
28

1 binder. *See* Chad Falkenberg Depo. at 175:20-25, 176:1-10, 182:5-19, and 256:3-17 (Ex.  
2 D).

3 Also, at least one of Soilworks' distributors (Polar Supply Company) has  
4 submitted several bids (or portions thereof) to supply Soilworks' Durasoil product for  
5 public projects for which the project specifications expressly required a dust control  
6 product that had a "reworkable binder." *See* May 8, 2008 Declaration of Robert Vitale,  
7 submitted in support of Midwest's Statement of Facts (ECF #80-4) and June 11, 2008  
8 Declaration of Robert Vitale (Ex. F). Representatives of Polar Supply Company  
9 confirmed that Polar Supply Company submitted bids in response to these specifications.  
10 *See* Steve Hickman Depo. at 87:15-25, 100:5-101:6, 149:8-17, 153:9-154:9, 154:23-  
11 156:3 (Ex. G). They also confirmed that, if Polar Supply Company had any questions as  
12 to whether Durasoil could meet the specifications for the project, Polar Supply  
13 Company's practice would have been to confirm with Chad Falkenberg of Soilworks that  
14 Durasoil could meet the specifications before submitting the bid. *See* Steve Hickman  
15 Dep. at 39:10-16, 154:23-155:12 (Ex. G); Steve Gordner Testimony at 49:5-50:5, 54:14-  
16 55:6, 55:23-25 (Ex. H).

17 53. Disputed. *See* Midwest's Responsive Statement of Facts at ¶¶45-52 above  
18 and ¶¶62-64 below.

19  
20  
21 **Additional Material Facts:**

22 Pursuant to Local Rule 56.1, Midwest submits the following additional facts that  
23 are material to the issues raised in Soilworks' summary judgment motion and associated  
24 statement of facts:  
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1           54. The dust control and soil stabilization industry is an industry in which there  
2 are a very limited number of entities competing to provide their products to potential  
3 consumers and distributors. *See* June 11, 2008 Declaration of Robert Vitale (Ex. F).

4  
5           55. Internet advertising and marketing/promotional materials are heavily used  
6 and relied upon by both consumers and distributors in selecting the dust control and/or  
7 soil stabilization products for their projects and making purchasing decisions. *See* June  
8 11, 2008 Declaration of Robert Vitale (Ex. F); Steve Hickman Depo. at 45:24-46:23,  
9 67:25-70:11, 79:1-80:19, 96:6-25 (Ex. G). Consumers and distributors rely on internet  
10 advertisements and marketing/promotional materials to, among other purposes,  
11 determination of various products' claims regards environmental impact, product  
12 chemistry, and performance, which claims are used in making purchasing decisions. *See*  
13 June 11, 2008 Declaration of Robert Vitale (Ex. F).

14  
15  
16           56. For example, in his deposition, Mr. Hickman confirmed that Polar Supply  
17 Company (a distributor of Soilworks' products) relies upon the brochures and other  
18 literature, as well as the information on Soilworks' website, for information regarding the  
19 Soilworks' products that Polar Supply Company sells and promotes. *See* Steve Hickman  
20 Depo. at 45:24-46:23, 67:25-70:11, 79:1-80:19, 96:6-25 (Ex. G). This information  
21 includes Soilworks' representations that its products are "synthetic" and "oil-sheen free."  
22  
23 *See id.*

24  
25           57. Distributors like Polar Supply Company pass along this product  
26 information and materials to their existing and potential customers. *See id.*

1           58. In many cases, Midwest and Soilworks' distributors, such as Polar Supply  
2 Company, are the only entities competing with one another to provide and sell their  
3 respective dust control products to a particular potential consumer. *See* June 11, 2008  
4 Declaration of Robert Vitale (Ex. F).

6           59. For example, the Army Corps of Engineers' Dust Control Field Handbook  
7 indicates that a "synthetic organic fluid" should be used as the dust control product for  
8 various military applications. *See id.* In this handbook, the Corp expressly recognizes  
9 that Midwest and Soilworks are the two vendors that offer synthetic organic fluids. *See*  
10 *id.* The handbook states that the procedure for selecting an appropriate product for  
11 military dust control applications is to identify the recommended product category and  
12 then select a product and its vendor from the list provided for that recommended product  
13 category. *See id.*

16           60. When a military project calls for the application of "synthetic organic fluid"  
17 for dust control purposes, the Corps' handbook directs that military to select either  
18 Soilworks or Midwest to be the vendor. *See id.* If Soilworks did not represent that its  
19 Durasoil product was a "synthetic organic fluid," Midwest would be the only  
20 recommended vendor identified in the handbook for these applications. *See id.*

22           61. Other examples of Midwest's direct competition with Soilworks (or its  
23 distributors) for sales of dust control products include the public projects for which the  
24 bid requests that were discussed in Paragraphs 21-23 of the May 8, 2008 Robert Vitale  
25 Declaration (ECF #80-4). These bid requests included express specifications for  
26 synthetic and/or non-petroleum distillate (*i.e.*, oil-sheen free) dust control products. *See*  
27  
28



1 Paragraphs of 21-23 of May 8, 2008 Vitale Dec. and June 11, 2008 Declaration of Robert  
2 Vitale (Ex. F).

3  
4 62. In response to these bid requests, Midwest and Soilworks' distributor  
5 submitted bids (or quotes to general contractors for their bid submissions) and competed  
6 with one another to supply the consumer with the dust control product for the project.  
7 See Paragraphs of 21-23 of May 8, 2008 Vitale Dec. and June 11, 2008 Declaration of  
8 Robert Vitale (Ex. F).

9  
10 63. For example, in 2006, Midwest competed with Soilworks' distributor, Polar  
11 Supply Company, to supply Midwest's and Soilworks' respective dust control products  
12 for an airport construction project for the Alaskan Department of Transportation with  
13 dust palliative specifications that included express requirements that "the product shall be  
14 a high viscosity *synthetic* isoalkane," have a binder, and the "material shall *not* be a  
15 petroleum distillate" (the "Chevak airport project"). See Paragraph 21 of May 8, 2008  
16 Vitale Dec. and Attachment 6 thereto; June 11, 2008 Declaration of Robert Vitale (Ex.  
17 F).

18  
19  
20 64. As another example, in 2006, Midwest competed with Polar Supply  
21 Company to supply Midwest's and Soilworks' respective dust control products for  
22 another airport construction project for the Alaskan Department of Transportation with  
23 dust palliative specifications that included express requirements that "the product shall be  
24 a high viscosity *synthetic* isoalkane," have a binder, and the "material shall *not* be a  
25 petroleum distillate" (the "Kokhanok airport project"). See Paragraph 22 of May 8, 2008  
26  
27  
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1 Vitale Dec. and Attachment 7 thereto; June 11, 2008 Declaration of Robert Vitale (Ex.  
2 F).

3  
4 65. In some of these instances, Soilworks' distributors' bids have obtained the  
5 contracts to supply Soilworks' dust control product for the projects based upon  
6 Soilworks' representations that its Durasoil product is synthetic and not a petroleum  
7 distillate (oil-sheen free), thereby causing Midwest to lose the project and the associated  
8 sale of Midwest's dust control product. June 11, 2008 Declaration of Robert Vitale (Ex.  
9 F). This situation occurred in the case of the Kokhanok airport project. *See id.* The  
10 general contractor was awarded the contract for the project and selected Polar Supply  
11 Company's quote for Soilworks' Durasoil product in order to fulfill the ADOT dust  
12 palliative requirement for the Kokhanok airport project, and the contractor purchased the  
13 required dust palliative for the project from Polar Supply Company instead of Midwest.  
14 *See id.*; Hickman Dep. at 87:15-25, 100:5-101:6, 149:8-17, 153:9-154:9, 154:23-156:3  
15 (Ex. G).

16  
17 66. Because Midwest and Polar Supply Company were the only two entities  
18 competing to supply the needed dust control palliative for the Kokhanok airport project,  
19 Midwest would have obtained the contract for the project (*i.e.*, the sale of the dust control  
20 product for the project) if it were not for Soilworks' representations that its Durasoil  
21 product is a synthetic isoalkane and not a petroleum distillate. *See id.*

22  
23 67. Mr. Hickman of Polar Supply Company confirmed that when asked why  
24 certain specifications for dust control products are included in the specifications as  
25 opposed to other specifications, the Alaskan Department of Transportation informed him  
26  
27  
28

1 that it is because the Department has “used it before and it works.” See Steve Hickman  
2 Depo. at 108:2-10 (Ex. G).  
3  
4

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/s/ John M. Skeriotis  
John Skeriotis

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